



LAFCO LEGISLATIVE AFFAIRS

1st Quarter Report for 2007

Agenda Item No. 8b
March 14, 2007

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JOYCE CROTHWAITE
Executive Officer

TO: Local Agency Formation Commission

FROM: Executive Officer
Senior Project Manager

SUBJECT: First Quarter Legislative Report (March 2007)

On January 3, 2007, the Legislature reconvened for the 2007-2008 Legislative Session. With the deadline of February 23rd to introduce all bills, our legislators rolled up their sleeves and got to work right away.

During the legislative winter recess, the CALAFCO Legislative Committee geared up for the new year and convened first in October and again in January to discuss potential legislative bills and issues for 2007. With the expectation of an active year for LAFCOs, the following key issues and potential legislative bills were identified:

- 2007 Cortese-Knox-Hertzberg Act Omnibus Bill
- Spheres of Influence (SOI) and Municipal Service Reviews (MSRs) Reform
- LAFCo authority to form a successor district
- LAFCo authority to impose fees based on actual cost
- Require LAFCo Disclosure of Contributions
- County Service Area Law Update
- Reclamation Districts & LAFCo purview
- Procedures on spheres outside principal county
- PUC – Extension of private water service outside of service areas

CALAFCO continues to work collaboratively with legislative staff of both the Assembly and Senate Local Government Committees regarding legislation of interest to LAFCO.

2007 LAFCO Bills

The following table provides a brief outline of the various bills of interest to LAFCO this year and recommended legislative positions for the Commission to consider.

Staff is recommending that the Commission adopt positions on the following:

2007 LAFCO-Interest Legislation				
	Position	Bill	Author	Topic
1	Support	Omnibus (bill # not yet assigned)	Asm Local Govt Comm	Series of technical and non-controversial changes to correct or clarify government code specific to the CKH Act.
2	Support	AB 745	Silva	Campaign & Lobbying Disclosure Requirements
3	Watch	AB 1019	Blakeslee	RHNA Housing Unit Transfer
4	Support w/amendments	AB 1262	Caballero	Mandatory City/County Sphere Meeting
5	Support	AB 1263	Caballero	Changes to MSR Determinations
6	Watch	SB 162	Negrete-McLeod	Environmental Justice
7	Watch	SB 167	Negrete-McLeod	Planning Grants & Incentives
8	Watch	SB 301	Romero	Incorporation CFA Funding
9	Support	SB 819	Hollingsworth	Consolidation of Unlike Districts


RECOMMENDED ACTIONS:

Staff recommends that the Commission take the following action:

1. Receive and file the March 14, 2007 Quarterly Legislative Report.
2. Adopt positions on 2007 legislation.

Respectfully submitted,


JOYCE CROSTHWAITE


CAROLYN EMERY

Bill text is available for viewing and downloading in HTML and PDF formats on the Legislative Counsel's website at <http://www.leginfo.ca.gov>, or upon request to staff.

Summary Discussion of 2007 Key Legislation

Recommended Positions

The following provides a summary of the 2007 legislation for which positions are recommended.

- **Omnibus Bill for Cortese-Knox Hertzberg Act (bill number not yet assigned)**
This statute is a result of the ongoing effort of CALAFCO and local LAFCOs with the Assembly and Senate Local Government Committees and legislative staff to "clean up" various areas of the Cortese-Knox-Hertzberg Act (CKH). Changes include a series of technical and non-controversial changes to correct or clarify government code specific to the CKH Act.
 - **Status:** Local Government Committees – being circulated for comments
 - **Recommendation:** Support

- **AB 745 (Silva) Campaign & Lobbying Disclosure Requirements**
Existing law authorizes a commission, through the adoption of the written policies and procedures, to require lobbying disclosure and reporting requirements for persons who attempt to influence pending decisions by commission members, staff, or consultants.

This bill would extend this authority to also permit a commission to require lobbying disclosure and reporting requirements for persons who attempt to influence those who sign petitions or vote in elections called under the act or who otherwise attempt to influence proceedings held under the act.
 - **Status:** Tentative hearing date, March 25th
 - **Recommendation:** Support

- **AB 1019 (Blakeslee) Housing Number Transfer**
The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes local governments to annex portions of territory to other local governments, as specified. The Planning and Zoning law requires local governments to adopt comprehensive general plans that address a number of elements, including the housing element. The Department of Housing and Community Development is required to assist local governments in the allocation of the regional housing needs. Existing law also authorizes a city or county to transfer a percentage of its share of the regional housing needs to another city or county, as specified.

This bill would require, where land proposed for annexation or incorporation to a city includes parcels that have been identified in a county's housing element as designated to meet its regional housing need goal, the maximum number of units that may be constructed on those parcels to be transferred to the annexing or incorporating city as part of its fair share regional housing need, as specified.

- **Status:** Tentative hearing date, March 25th
- **Recommendation:** Watch

➤ **AB 1262 (Caballero) Mandatory City/County Sphere Meeting**

Existing law requires a commission to develop and determine the sphere of influence of each local governmental agency within the county. Existing law requires, until January 1, 2008, that at least 30 days prior to submitting an application to the commission for a determination of a new sphere of influence or to update an existing sphere of influence for a city, representatives from the city meet with county representatives to discuss the proposed sphere and its boundaries, and to explore methods to reach agreement on the boundaries, development standards, and zoning requirements within the sphere, as specified. If an agreement is reached, it is required to be submitted to the commission, which shall give it great weight in the final determination of the city's sphere of influence. If no agreement is reached, the commission shall consider the applicant city's sphere of influence consistent with specified policies of the commission.

This bill would delete the January 1, 2008, limitation provision and make the existing requirements permanent.

Based on input from the CALAFCO Legislative Committee, which is composed of representatives from several LAFCOs, the CALAFCO Board of Directors is recommending that the bill be amended to include language that clarifies the need for a written agreement, timeline and circumstances, and when this provision is to be used.

- **Status:** Tentative hearing date, March 27th
- **Recommendation:** Support with amendments as submitted by CALAFCO

➤ **AB 1263 (Caballero) Changes to MSR Determinations**

Existing law establishes in each county a local agency formation commission. The commission is required to develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to

promote the logical and orderly development of areas within the sphere. Existing law requires the commission to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, make specific determinations, and prepare a written statement of those determinations.

This bill would revise the determinations a commission is required to make and include in the written statement.

- **Status:** Tentative hearing date, March 27th
- **Recommendation:** Support

➤ **SB 162 (Negrete-McLeod) Environmental Justice**

Existing law, the Cortese-Knox-Hertzberg Act, specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization including the comments of any affected local agency and information or comments from the landowner or owners, as specified.

This bill would also require a local agency formation commission to consider information or comments from voters or residents of the affected territory and the extent that the proposal will promote environmental justice, as defined, thus creating a state-mandated local program.

- **Status:** Committees on Local Governance; Hearing March 7th
- **Recommendation:** Watch

➤ **SB 167 (Negrete-McLeod) Planning Grants & Incentives**

Existing law also provides that the Office of Planning and Research (OPR) within the Governor's office serves as the state's comprehensive planning agency in the formulation, evaluation, and updating of, among other things, long-range goals and policies for land use, population growth and distribution, urban expansion, development, open space, resource preservation and utilization, air and water quality, and other factors that shape statewide development patterns and significantly influence the quality of the state's environment.

This bill would require the Governor's Office of Planning and Research to administer a program, as specified, to award grants and loans to cities and counties to prepare and adopt general plans, including the costs of complying with the California Environmental Quality Act (CEQA). The bill would require OPR to prepare and adopt regulations for this purpose that meet specified

criteria and would require the OPR to cooperate with the Secretary of the Resources Agency in any independent audits of expenditures pursuant to these provisions.

The Senate Local Government Committee staff is considering adding LAFCOs to the program. This would allow a LAFCO to apply for grants to assist with Municipal Service Reviews.

- **Status:** Committees on Local Governance; Hearing March 21st
- **Recommendation:** Watch

➤ **SB 301 (Romero) Incorporation CFA Funding**

Existing law governs the organization and reorganization of local governments.

This bill expresses the intent of the Legislature to enact legislation that would provide a resource to interested residents who want to commission a study on the logistics and costs of incorporating a city.

- **Status:** No hearing scheduled.
- **Recommendation:** Watch

➤ **SB 819 (Hollingsworth) Consolidation of Unlike Districts**

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes procedures for the organization and reorganization of cities and special districts. With respect to the consolidation of special districts, until January 1, 2005, the law required all of the districts to have been formed pursuant to the same principal act. Existing law, until July 1, 2008, permits the consolidation of 2 or more special districts not formed pursuant to the same principal act if certain procedures are followed.

This bill would delete that July 1, 2008, expiration date on the authorization to consolidate 2 or more special districts not formed pursuant to the same principal act.

Existing law sets forth the various powers and duties of a local agency formation commission in reviewing and approving or disapproving proposals for changes of organization or reorganization. A commission may only initiate proposals for consolidation of districts, dissolution, merger, establishment of a subsidiary district, or a reorganization that includes any of those changes, and only under specified circumstances.

This bill would add to those proposals that may be initiated by a local agency formation commission the formation of a new district or districts, or a reorganization that includes the formation of a new district or districts.

- **Status:** No hearing scheduled.
- **Recommendation:** Support